



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 06/27/06
AGENDA ITEM 4
WORK SESSION ITEM _____

TO: Mayor and City Council
FROM: Director of Public Works
SUBJECT: Authorization to Approve Assignment of the Commercial Aviation Site Lease from Trajen, Inc., to Trajen Flight Support, LP

RECOMMENDATION:

It is recommended that the City Council adopt the attached resolution approving the assignment of a commercial aviation site lease to Trajen Flight Support, LP.

BACKGROUND:

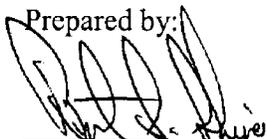
On July 1, 1998, Trajen, Inc., assumed an existing commercial aviation site lease from Papé Properties (dba "Flightcraft") for the real property commonly known as 19990 Skywest Drive. Trajen Holdings, Inc., the parent company of Trajen, Inc., has sold certain assets, including commercial aviation leases, to Macquarie FBO Holdings, a Delaware limited liability company. Macquarie FBO Holdings, LLC, is now the parent company of Trajen Flight Support, LP, which is the new name for Trajen, Inc. after the purchase. Macquarie FBO is an indirect subsidiary of Macquarie Infrastructure Company Trust ("MIC"), an entity with securities listed and traded on the New York Stock Exchange. MIC owns, operates and invests in a diversified group of infrastructure businesses such as constructing roads, managing airport businesses and communications contracting to customers in the United States and internationally. Trajen Flight Support, LP, will be the City's new tenant and is committed to fulfilling the same terms and obligations of Trajen, Inc.'s existing lease. It is anticipated that at some point in the near future, Trajen will change its name to Atlantic Aviation HWD.

The City Attorney's office has reviewed all relevant documents and has approved them as to form. The provisions contained within the addendum are acceptable to the City. The City's Acting Director of Finance and Internal Services has reviewed the financial statements and tax returns for Macquarie FBO Holdings, LLC, and finds its financial resources satisfactory to meet the City's requirement for an assignment.

TERMS OF CURRENT LEASE:

The current ground lease terminates on December 31, 2048. The rent paid to the City for the property is \$6,807 per month plus periodic increases in conformance with the City's standard land value for all similar aviation uses. The lease with the current tenant, Trajen, Inc., prevents them from assigning the lease without first obtaining permission from the City, however, consent cannot be unreasonably withheld.

Prepared by:



Brent S. Shiner, Airport Manager

Recommended by:



Robert Bauman, Director of Public Works

Approved by:



Jesús Armas, City Manager

DRAFT

*NH
4/27/06*

HAYWARD CITY COUNCIL

RESOLUTION NO. 06-

Introduced by Council Member _____

**RESOLUTION APPROVING ASSIGNMENT OF THE
COMMERCIAL AVIATION SITE LEASE BETWEEN
THE CITY OF HAYWARD AND TRAJEN, INC., TO
TRAJEN FLIGHT SUPPORT, LP**

WHEREAS, on July 1, 1998, Trajen Inc., assumed an existing Commercial Aviation Site Lease from Papé Properties (dba "Flightcraft") for the real property commonly known as 19990 Skywest Drive; and

WHEREAS, Trajen Holding, Inc., has sold its commercial aviation leases to Macquarie FBO Holdings and is now the parent company of Trajen Flight Support, LP.; Trajen Flight Support, LP is the new name for Trajen Inc., after the purchase; and

WHEREAS, Trajen Flight Support, LP, will be the City's new tenant and is committed to fulfilling the same terms and obligations of Trajen, Inc.'s, existing lease.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Hayward hereby approves assignment of the Commercial Aviation Site Lease with Trajen Flight Support, LP subject to the same terms in Trajen, Inc.'s existing lease, which terminates on December 31, 2048.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2006

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward